



# Credit Risk Metrics

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Risk Management Committee  
November 16, 2021



# Full Portfolio Metrics as of 10/28/2021

Classification	Current				Last Month				% ? m/m
	Total Unsecured Credit Allowance (UCA)	UCA with Exposure	Net Exposure	Class % of Exposure	Total Unsecured Credit Allowance (UCA)	UCA with Exposure	Net Exposure	Class % of Exposure	
Investment Grade	\$2,142,374,539	\$1,032,454,511	\$111,230,676	84%	\$2,150,020,581	\$1,111,600,111	\$118,682,072	87%	-6%
Private IG	\$288,571,240	\$92,594,623	\$19,194,274	14%	\$289,031,645	\$77,035,156	\$14,971,396	11%	28%
Sub Inv-Grade	\$4,459,375	\$0	\$0	0%	\$4,459,375	\$0	\$1,269,657	1%	-100%
Private SG	\$21,002,650	\$9,286,603	\$1,145,260	1%	\$21,145,829	\$6,147,465	\$698,757	-	64%
Not Rated	\$15,976,299	\$5,000,000	\$783,290	1%	\$15,976,299	\$5,000,000	\$820,206	1%	-5%
<b>Total</b>	<b>\$2,472,384,103</b>	<b>\$1,139,335,737</b>	<b>\$132,353,500</b>	<b>100%</b>	<b>\$2,480,633,729</b>	<b>\$1,199,782,732</b>	<b>\$136,442,088</b>	<b>100%</b>	<b>-3%</b>

### Unsecured Credit Allowance (UCA):

- Total credit extended by rating class per tariff Q
- Shows where PJM is comfortable taking risk

### Highlights:

- 1 A- rated corporate family represents >10% of exposure exceeding collateral

### Net Exposure:

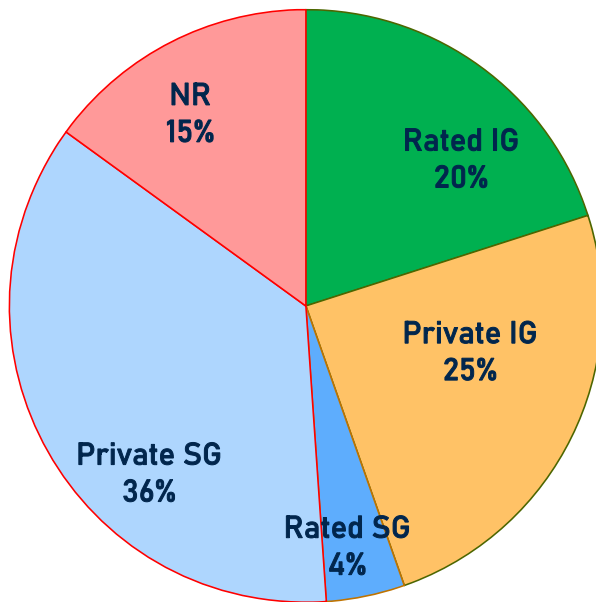
- Unsecured Credit Allowance utilization
- Current outstanding invoices + unbilled – available market collateral
- Shows where PJM is taking risk

Defaulting Member Company	Amt of Default	Date of Default	Date of Cure	Type of Default
Member A	-	End of October	-	Multiple, Closed Out

Source: eCredit member data reports (10-28-2021)



## FTR Portfolio Metrics as of 10/28/2021



Classification	Current		Last Month		\$ ▲ m/m
	FTR Credit Req.	% of Port.	FTR Credit Req.	% of Port.	
Rated Investment-Grade	\$307,584,461	20%	\$250,830,710	18%	23%
Private IG	\$376,536,608	25%	\$352,941,751	25%	7%
Rated Sub Inv-Grade	\$65,773,173	4%	\$60,478,498	4%	9%
Private SG	\$553,439,364	36%	\$527,517,671	37%	5%
Not Rated	\$230,142,765	15%	\$225,454,953	16%	2%
<b>Total</b>	<b>\$1,533,476,371</b>	<b>100.00%</b>	<b>\$1,417,223,583</b>	<b>100.00%</b>	<b>8%</b>

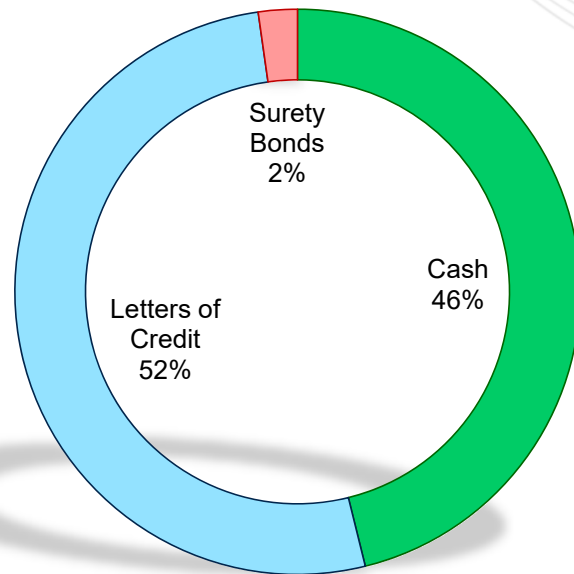
### FTR Portfolio Metrics as of October 28:

- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 45% Investment-grade (+2% m/m)
- 49% concentration in the top 10 participants (no  $\Delta$  m/m)
- No market participants or corporate families represent over 10% of the portfolio

Source: eCredit member data reports (10-28-2021)



## Collateral Concentrations (Total PJM) *as of 10/28/2021*



### Cash Collateral

- Total held by PJM: \$2.11Bn

### Letters of Credit

- Total held by PJM: \$2.36Bn
- All issuers rated A or better
- Top 10 banks issued 76% thereof
- 2 Banks issued more than 10%
- PJM has accepted LCs from 36 banks in total

### Surety Bonds

- Total held by PJM: \$101.5MM
- All issuers rated A or better
- Concentrations capped at \$50MM per issuer

LC Source: eCredit Bank LC Summary Report (10-28-2021)  
Cash Source: PJM Treasury (10-28-2021)

## October News:

- Ratings:
  - Downgrades - One member received a public rating downgrade; the entity remains investment-grade.
  - New ratings - One member started a new public rating relationship; the entity received an investment-grade rating.
- Natural Gas and power prices have sustained year-end gains through October. Near-term Henry-Hub futures stabilized near the \$6/mmbtu level. Tight European supplies and preparation for US heating season are contributing to the heightened price environment.

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## **Credit Risk Metrics**



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